

28th Annual Kentucky Transportation Conference

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Office of Budget & Fiscal
Management**

January 26, 2006



FY 2005 ROAD FUND SURPLUS

\$28.6M

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graph TD; A["$28.6M"] --- B["$6.8M  
Revenues above  
Estimate"]; A --- C["$21.8M  
KYTC Efficiencies  
and Cash Mgt"]
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\$6.8M

Revenues above
Estimate

\$21.8M

KYTC Efficiencies
and Cash Mgt

Road Fund Surplus

\$28.6 M

(millions)

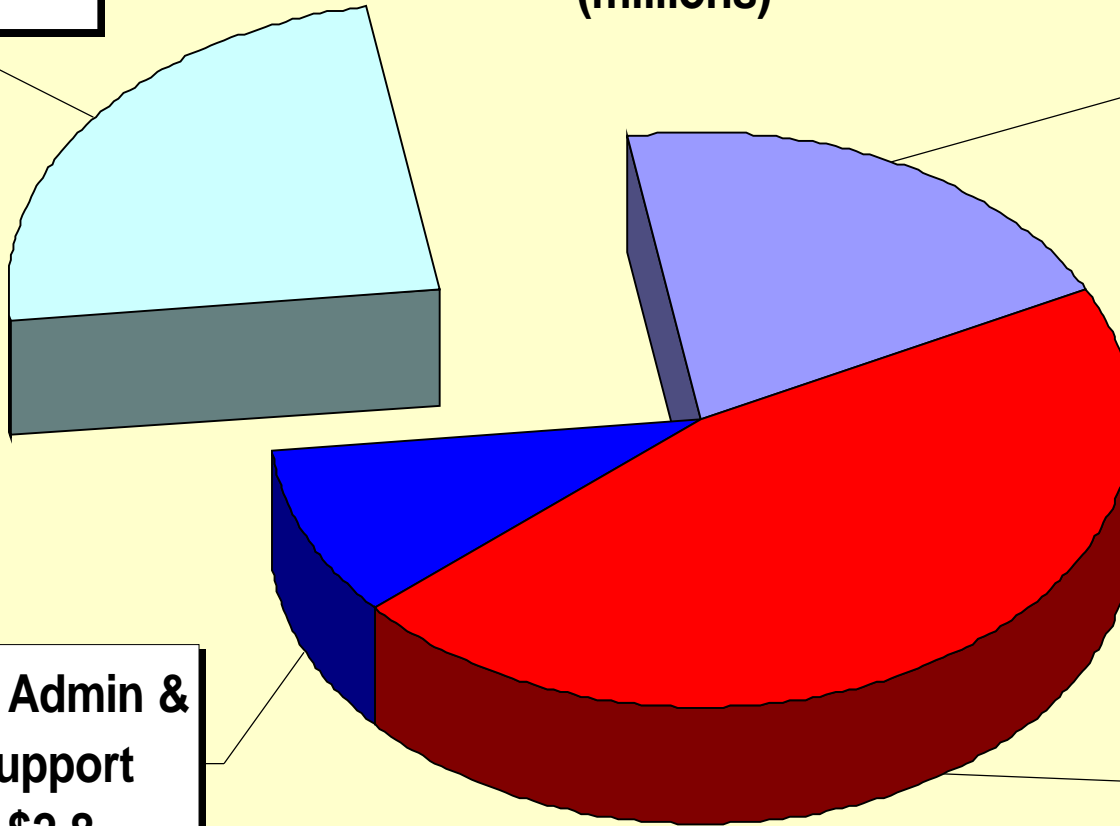
Road Fund
Revenues
\$6.8

Highways
Administration
\$5.8

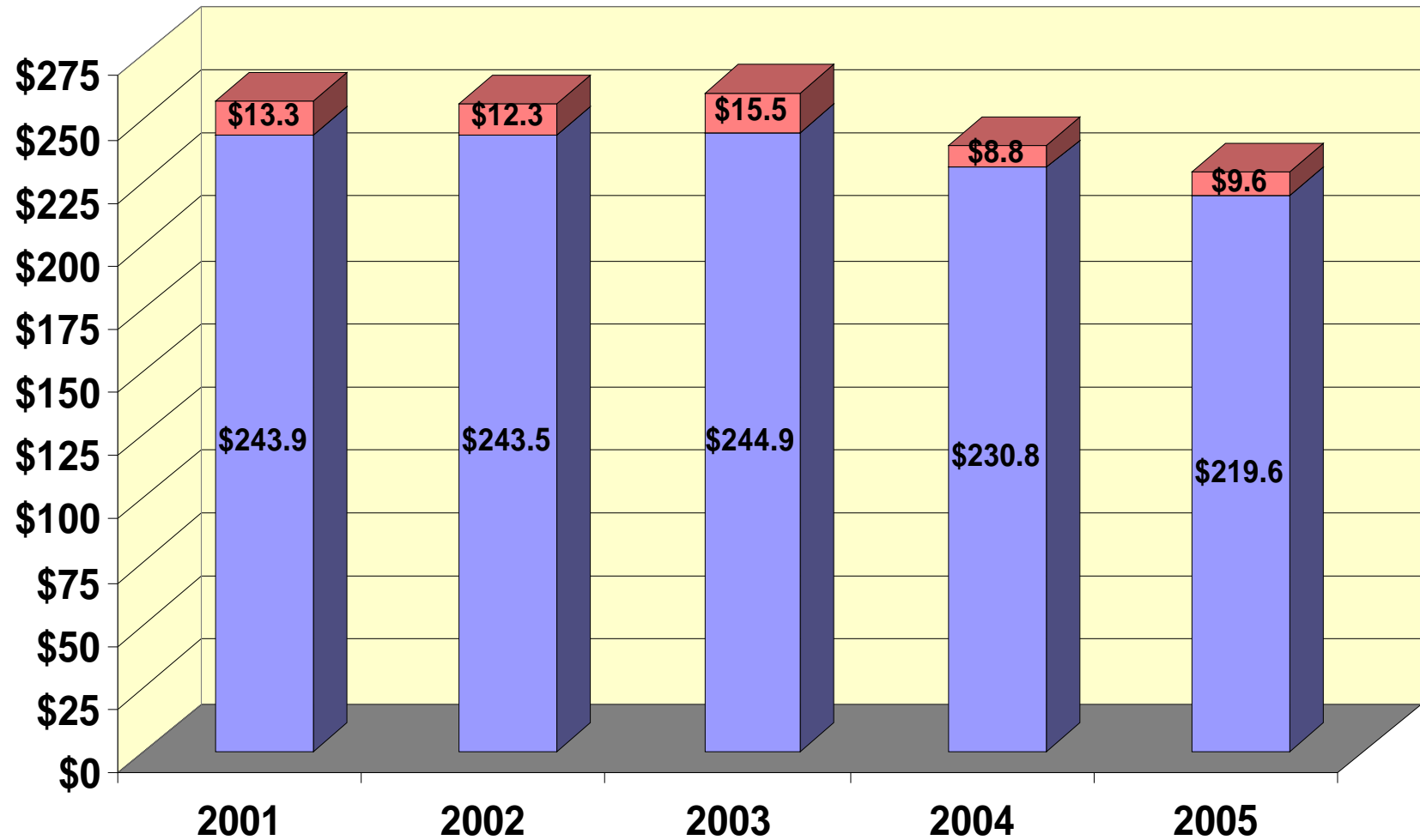
Gen Admin &
Support
\$2.8

Debt Service
\$13.2

FY 2005



**KENTUCKY TRANSPORTATION CABINET
PAYROLL EXPENDITURES by CALENDAR YEAR
(In Millions)**



Excludes health insurance costs.

■ OVERTIME, BLOCK 50, OTHER ADJ'S
■ SALARIES/BENEFITS

TRANSPORTATION BUDGET HIGHLIGHTS

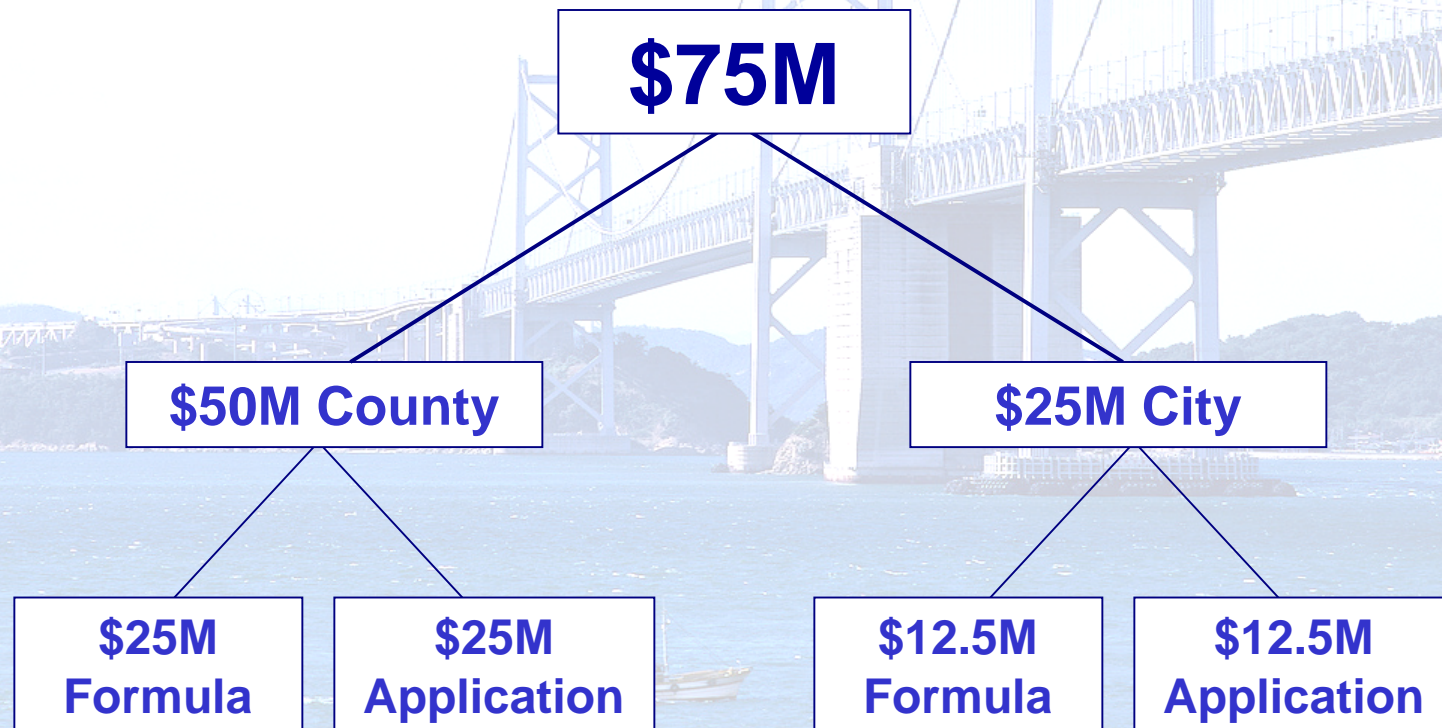
Governor's Recommended Budget

- Increased emphasis on maintenance and resurfacing – additional \$93M requested for these activities over the biennium.
- \$2.5M for software to develop electronic filing for motor fuel taxpayers.
- \$290M in Garvee Bonds to complete the 3 interstate widening projects.

TRANSPORTATION BUDGET HIGHLIGHTS

Governor's Recommended Budget

Additional economic development bonds for county and city roads and bridges.





TRANSPORTATION BUDGET HIGHLIGHTS

Governor's Recommended Budget

- Up to 1% of Road Fund revenues can be used for airport runways at public airports (at the discretion of the Secretary of Transportation).

AVIATION DEVELOPMENT FUND

Annual Revenues	\$5.2M
Relocation of Major Taxpayer	<1.0M>
Net Projected revenues	\$4.2M
Administrative Costs	<1.5M>
DS on Economic Dev. Bond	< .5M>
<hr/>	
Funds Remaining	\$2.2M



TRANSPORTATION BUDGET HIGHLIGHTS

Governor's Recommended Budget

Public Transportation

FY07

FY08

General Funds

\$5.2M

\$5.2M

Non-Public Schools

\$2.95M

\$2.95M

Multimodal Programs

.6M

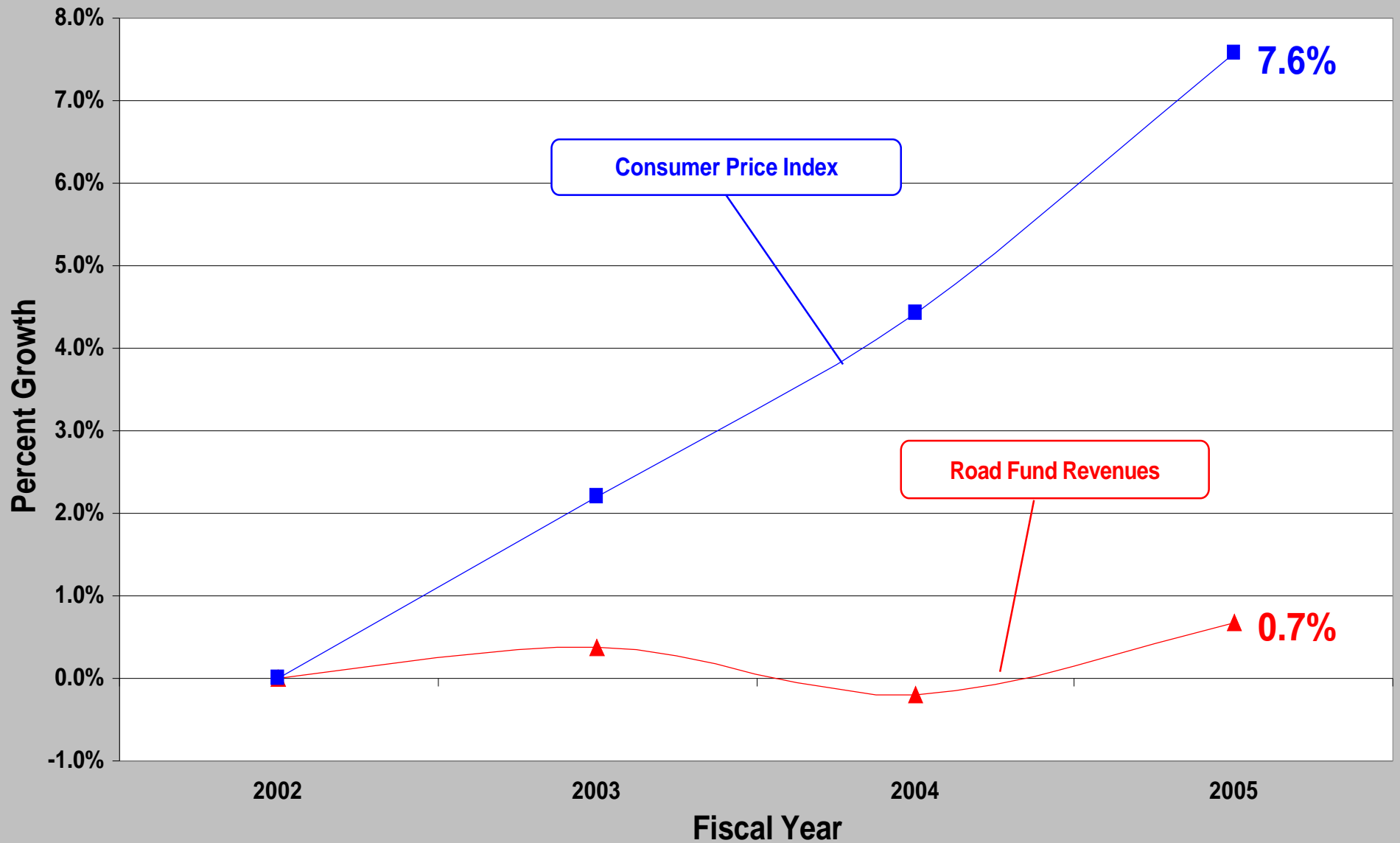
.6M

TRANSPORTATION BUDGET HIGHLIGHTS

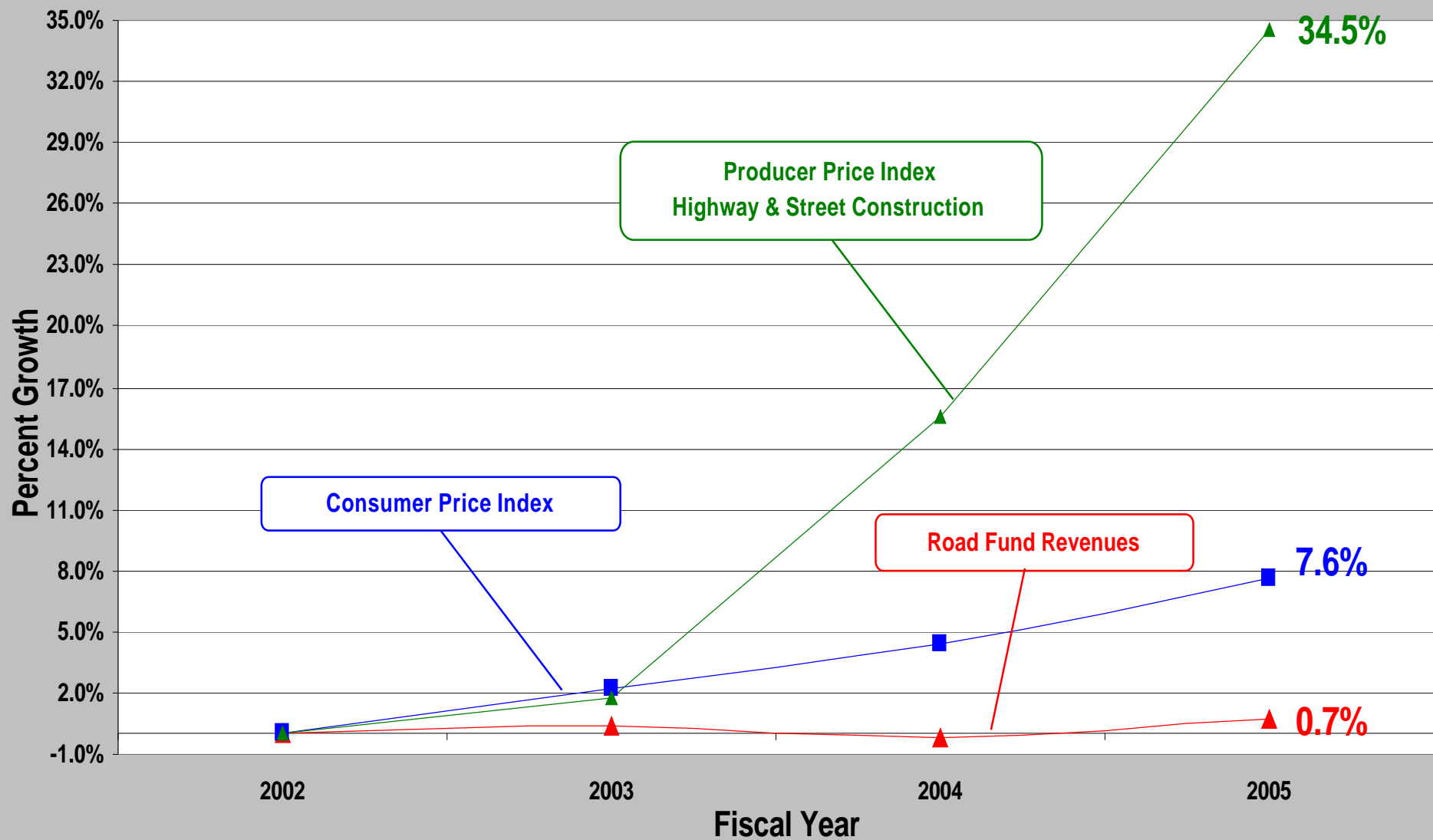
Governor's Recommended Budget

Public Transportation	<u>FY07</u>	<u>FY08</u>
General Funds	\$5.2M	\$5.2M
Non-Public Schools	\$2.95M	\$2.95M
Multimodal Programs	.6M	.6M
<hr/>		
Available to Match	\$1.65M	\$1.65M
Capital Grants		

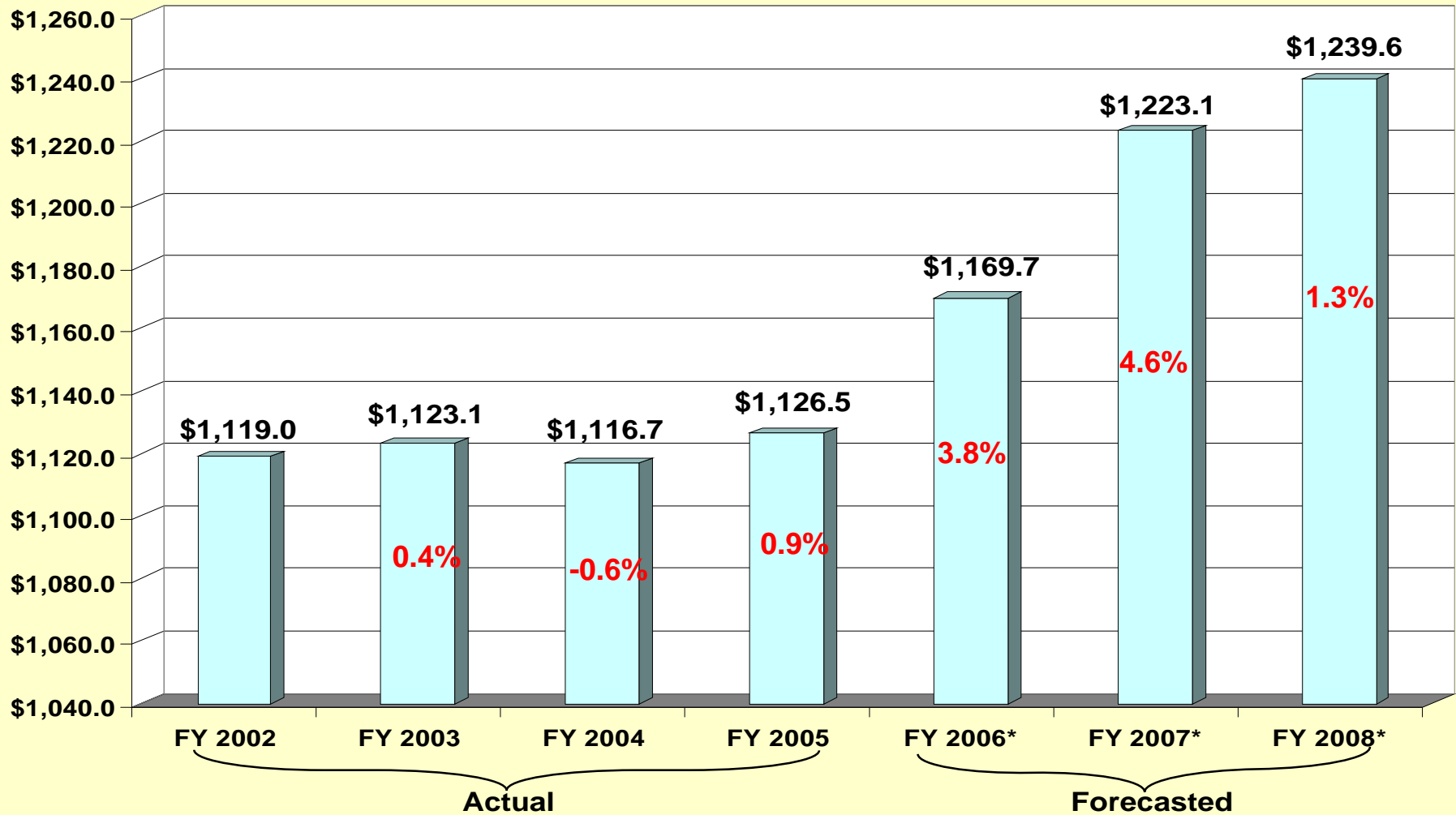
ROAD FUND GROWTH COMPARED TO CPI FROM FY 2002 - FY 2005



ROAD FUND GROWTH COMPARED TO CPI & PPI FROM FY 2002 - FY 2005



ACTUAL & PROJECTED ROAD FUND REVENUES (in millions)



FY 2008 Revenues represent 10.8% growth over FY 2002 Revenues. This equates to an average annual growth of 1.8%.

* Based on December 2005 Consensus Forecasting Group Estimate.

KYTC/obfm

PROJECTED ROAD FUND REVENUE BY MAJOR TYPE

(in millions)

	<u>FY06</u>	<u>%Growth</u>	<u>FY07</u>	<u>%Growth</u>	<u>FY08</u>	<u>%Growth</u>
RF Total	\$1,169.7	3.8%	\$1,223.1	4.6%	\$1,239.6	1.3%
Motor Fuels	\$528.5	7.7%	\$563.0	6.5%	\$567.2	0.7%
MV Usage	\$401.2	-1.5%	\$410.3	2.3%	\$418.8	2.1%
Other	\$240.0	5.2%	\$249.8	4.1%	\$253.6	1.5%

KENTUCKY GASOLINE RATE

Gasoline Tax Rate

KRS 138.220(1)
(awp * 9%)

Motor Fuel User Tax

KRS 138.220(2)

¹ FY 1987-2004	10¢	5¢
² FY 2005	11¢ frozen (new floor)	5¢
³ FY 2006	12.1¢	5¢
		17.1¢
UST Fee		<u>1.4¢</u>
TOTAL		18.5¢

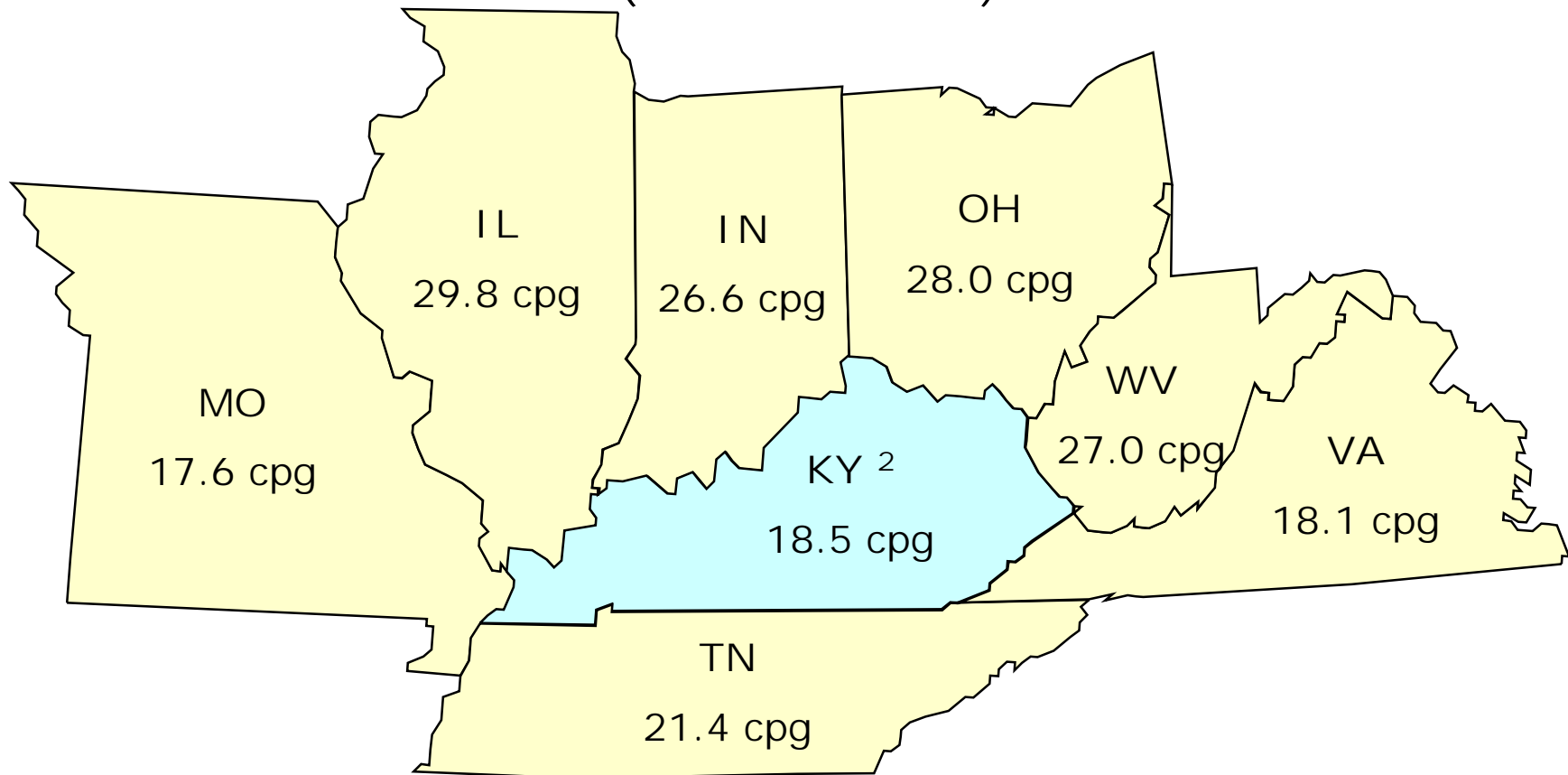
¹ Minimum price of \$1.11 effective July 1986

² KRS 138.210(1)(b) limits any annual increase to 10% over the AWP at the close of the last fiscal year. Actual average price calculated at \$1.27 effective July 2004.

³ The increase is limited to 10% over the AWP at the close of the previous fiscal year. The actual average gasoline wholesale price calculated to \$1.69 effective July 2005.

KENTUCKY'S GASOLINE TAX¹ COMPARED TO BORDERING STATES

(Cents Per Gallon)



¹ Includes base excise tax, plus additional sales tax on gasoline in IL, IN, and WV. Also includes other miscellaneous fees/taxes. Does not include any local taxes that may be imposed.

² Temporary increase of 1.1 cpg effective July 1, 2005 due to increase in wholesale price of gasoline.

KENTUCKY GASOLINE RATE

Gasoline Tax Rate

KRS 138.220(1)
(awp * 9%)

Motor Fuel User Tax

KRS 138.220(2)

FY 1987-2004	10¢	5¢
FY 2005	11¢ frozen (new floor)	5¢
FY 2006	12.1¢	5¢
FY 2007	13.3¢	5¢
FY 2008	<div><div>13.8¢ 1st Qtr</div><div>13.3¢ 2nd Qtr</div><div>12.8¢ 3rd Qtr</div><div>12.3¢ 4th Qtr</div></div>	5¢
		17.8¢
	UST Fee	<u>1.4¢</u>
	TOTAL	19.2¢



**– OVERALL COMMITMENT TO DO
THE BEST WITH WHAT WE HAVE**